

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re NEXT GENERATION TECHNOLOGY, INC.

Debtor

Case No. 10-11416-JMP

Reporting Period: 5/1/10 - 5/31/10

Federal Tax I.D. # 13-4144544

CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CON'T)	X	
Copies of bank statements		X	
Cash disbursements journals		X	
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Post-petition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not paid yet
Copies of tax returns filed during reporting period			N/A
Summary of Unpaid Post-petition Debts	MOR-4	X	
Listing of Aged Accounts Payable		X	
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Taxes Reconciliation and Aging	MOR-5	X	
Payments to Insiders and Professional	MOR-6		N/A
Post Petition Status of Secured Notes, Leases Payable	MOR-6		N/A
Debtor Questionnaire	MOR-7	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor _____

Date _____

Signature of Authorized Individual* _____

Date _____

Printed Name of Authorized Individual _____

Date _____

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH - ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER	PAYROLL	TAX	OTHER	
CASH BEGINNING OF MONTH	52,533				52,533
RECEIPTS					
CASH SALES					
ACCOUNTS RECEIVABLE - PREPETITION	75,339				75,339
ACCOUNTS RECEIVABLE - POSTPETITION					0
LOANS AND ADVANCES					0
SALE OF ASSETS					0
OTHER (ATTACH LIST)					0
TRANSFERS (FROM DIP ACCTS)					0
TOTAL RECEIPTS	75,339	0	0	0	75,339
DISBURSEMENTS					
NET PAYROLL	-37,501				-37,501
PAYROLL TAXES					0
SALES, USE, & OTHER TAXES	-1,771				-1,771
INVENTORY PURCHASES					0
SECURED/ RENTAL/ LEASES					0
INSURANCE	-987				-987
ADMINISTRATIVE	-8,823				-8,823
SELLING					0
OTHER (ATTACH LIST) Interest	-3,600				-3,600
OWNER DRAW *					0
TRANSFERS (TO DIP ACCTS)					0
PROFESSIONAL FEES	-9,820				-9,820
U.S. TRUSTEE QUARTERLY FEES					0
COURT COSTS					0
TOTAL DISBURSEMENTS	-62,503	0	0	0	-62,503
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	12,837	0	0	0	12,837
CASH - END OF MONTH	65,370	0	0	0	65,370

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page. (Bank account numbers may be redacted to last four numbers.)

*"Adjusted Bank Balance" must equal "Balance per Books"

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OTHER

In re NEXT GENERATION TECHNOLOGY, INC.
Debtor

Case No.
Reporting Period:

STATEMENT OF OPERATIONS (Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	MONTH
Gross Revenues	
Less: Returns and Allowances	
Net Revenue	
COST OF GOODS SOLD	
Beginning Inventory	
Add: Purchases	
Add: Cost of Labor	
Add: Other Costs (<i>attach schedule</i>)	
Less: Ending Inventory	
Cost of Goods Sold	
Gross Profit	
OPERATING EXPENSES	
Advertising	
Auto and Truck Expense	
Bad Debts	
Contributions	
Employee Benefits Programs	
Officer/Insider Compensation*	
Insurance	
Management Fees/Bonuses	
Office Expense	
Pension & Profit-Sharing Plans	
Repairs and Maintenance	
Rent and Lease Expense	
Salaries/Commissions/Fees	
Supplies	
Taxes - Payroll	
Taxes - Real Estate	
Taxes - Other	
Travel and Entertainment	
Utilities	
Other (<i>attach schedule</i>)	
Total Operating Expenses Before Depreciation	
Depreciation/Depletion/Amortization	
Net Profit (Loss) Before Other Income & Expenses	
OTHER INCOME AND EXPENSES	
Other Income (<i>attach schedule</i>)	
Interest Expense	
Other Expense (<i>attach schedule</i>)	
Net Profit (Loss) Before Reorganization Items	

In re NEXT GENERATION TECHNOLOGY, INC.
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Case No.
Reporting Period:

REORGANIZATION ITEMS	
Professional Fees	
U. S. Trustee Quarterly Fees	
Interest Earned on Accumulated Cash from Chapter 11 <i>(see continuation sheet)</i>	
Gain (Loss) from Sale of Equipment	
Other Reorganization Expenses <i>(attach schedule)</i>	
Total Reorganization Expenses	
Income Taxes	
Net Profit (Loss)	

*"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

OTHER OPERATIONAL EXPENSES

OTHER INCOME

OTHER EXPENSES

OTHER REORGANIZATION EXPENSES

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for bankruptcy proceeding, should be reported as a reorganization item.

10-11416-JMP
5/1/10 - 5/31/10

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10-11416-JMP
5/1/10 - 5/31/10

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BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
CURRENT ASSETS	31-May	30-Apr	18-Mar
Unrestricted Cash and Equivalents	65,370	53,033	22,795
Restricted Cash and Cash Equivalents (see continuation sheet)			
Accounts Receivable (Net)	184,064	174,652	201,084
Notes Receivable	4,000	4,000	4,000
Inventories			
Prepaid Expenses	11,334	14,703	14,703
Professional Retainers			
Other Current Assets (attach schedule)	2,914	3,074	2,684
TOTAL CURRENT ASSETS	267,682	249,462	245,266
PROPERTY & EQUIPMENT			
Real Property and Improvements			
Machinery and Equipment			
Furniture, Fixtures and Office Equipment	97,079	97,079	97,079
Leasehold Improvements			
Vehicles			
Less: Accumulated Depreciation	-69,060	-69,060	-69,060
TOTAL PROPERTY & EQUIPMENT	28,019	28,019	28,019
OTHER ASSETS			
Amounts due from Insiders*			
Other Assets (attach schedule)	781,677	781,677	781,678
TOTAL OTHER ASSETS	781,677	781,677	781,678
TOTAL ASSETS	1,077,377	1,059,158	1,054,963
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Post-petition)			
Accounts Payable	90,451	45,790	331,018
Taxes Payable (refer to FORM MOR-4)	32,542	16,125	690,783
Wages Payable	52,657	41,623	593,714
Notes Payable		3,964	950,188
Rent / Leases - Building/Equipment			
Secured Debt / Adequate Protection Payments			
Professional Fees			
Amounts Due to Insiders*			34,167
Other Post-petition Liabilities (attach schedule)			
TOTAL POST-PETITION LIABILITIES	175,650	107,502	2,599,870
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)			
Pre-Petition 3 rd Party Consulting paid	-49,499	-49,499	
Pre-Petition Wages paid	-26,423	-26,423	
	-25,638		
TOTAL PRE-PETITION LIABILITIES	2,599,870	2,599,870	
TOTAL LIABILITIES	2,673,960	2,631,450	2,599,870
OWNERS' EQUITY		370,671	
Capital Stock			
Additional Paid-In Capital	370,671	370,671	370,671
Partners' Capital Account			
Owner's Equity Account			
Retained Earnings - Pre-Petition	-1,915,578	-1,915,578	-1,915,578
Retained Earnings - Post-petition	-51,675	-27,385	
Adjustments to Owner Equity (attach schedule)			
Post-petition Contributions (attach schedule)			
NET OWNERS' EQUITY	-1,596,582	-1,572,292	-1,544,907
TOTAL LIABILITIES AND OWNERS' EQUITY	1,077,378	1,059,158	1,054,963

*"Insider" is defined in 11 U.S.C. Section 101(31).

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Case No. 10-11416-JMP
Reporting Period: 5/31/10

BALANCE SHEET - continuation section

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets			
Other Assets			
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH		BOOK VALUE ON PETITION DATE
Other Post-petition Liabilities			
Adjustments to Owner's Equity			
Post-Petition Contributions			

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations.
Typically, restricted cash is segregated into a separate account, such as an escrow account.

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Case No. 10-11416-JMP
Reporting Period: 5/1/10 -5/31/2010

STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding	5,652	6,162				11,814
FICA-Employee	4,226	4,293				8,519
FICA-Employer	4,226	4,293				8,519
Unemployment	136	11				147
Income	0					0
Other:	0					0
Total Federal Taxes	14,240	14,758	0	0	0	28,998
State and Local						
Withholding	1,526	840				2,366
Sales						0
Excise						0
Unemployment	146	320				466
Real Property						0
Personal Property						0
Other:	213	499				712
Total State and Local	1,885	1,659	0	0	0	3,544
Total Taxes	16,125	16,417	0	0	0	32,542

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 91	
Accounts Payable	38,184	26,728	25,540			90,451
Wages Payable	43,490		9,167			52,657
Taxes Payable	16,417	10,621	5,504			32,542
Rent/Leases-Building						0
Rent/Leases-Equipment						0
Secured Debt/Adequate Protection Payments						0
Professional Fees						0
Amounts Due to Insiders						0
Other:						0
Other: Interest	3,600	1,800				5,400
Total Post-petition Debts	101,691	39,149	40,211	0	0	181,050

Explain how and when the Debtor intends to pay any past due post-petition debts.

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Case No. 10-11416-JMP
Reporting Period: 5/31/10

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period		174,653
Plus: Amounts billed during the period		84,751
Less: Amounts collected during the period		75,340
Total Accounts Receivable at the end of the reporting period		184,064

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	101,002				101,002
31 - 60 days old		49,954			49,954
61 - 90 days old			22,582		22,582
91+ days old				10,526	10,526
Total Accounts Receivable					0
Less: Bad Debts (Amount considered uncollectible)					0
Net Accounts Receivable	101,002	49,954	22,582	10,526	184,064

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	16,417				16,417
31 - 60 days old		10,621			10,621
61 - 90 days old			5,504		5,504
91+ days old				0	0
Total Taxes Payable	16,417	10,621	5,504	0	32,542
Total Accounts Payable	38,184	26,728	25,540		90,451

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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
TOTAL PAYMENTS TO INSIDERS			

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
TOTAL PAYMENTS TO PROFESSIONALS					

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
TOTAL PAYMENTS			

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Case No.

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DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes
1	Have any assets been sold or transferred outside the normal course of business this reporting period?	
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?	
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?	1'st Qtr
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?	
5	Is the Debtor delinquent in paying any insurance premium payment?	
6	Have any payments been made on pre-petition liabilities this reporting period?	
7	Are any post petition receivables (accounts, notes or loans) due from related parties?	
8	Are any post petition payroll taxes past due?	
9	Are any post petition State or Federal income taxes past due?	
10	Are any post petition real estate taxes past due?	
11	Are any other post petition taxes past due?	
12	Have any pre-petition taxes been paid during this reporting period?	
13	Are any amounts owed to post petition creditors delinquent?	
14	Are any wage payments past due?	
15	Have any post petition loans been received by the Debtor from any party?	
16	Is the Debtor delinquent in paying any U.S. Trustee fees?	
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?	
18	Have the owners or shareholders received any compensation outside of the normal course of business?	

10-11416-JMP

5/1/10 5/31/10

No
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re NEXT GENERATION TECHNOLOGY, INC.
Debtor

Case No. 10-11416-JMP
Reporting Period: 6/1/10 - 6/30/10

Federal Tax I.D. # 13-4144544

CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

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Summary of Unpaid Post-petition Debts	MOR-4	X	
Listing of Aged Accounts Payable		X	
Accounts Receivable Reconciliation and Aging	MOR-5	X	
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Post Petition Status of Secured Notes, Leases Payable	MOR-6		N/A
Debtor Questionnaire	MOR-7	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor _____

Date _____

Signature of Authorized Individual* _____

Date _____

Printed Name of Authorized Individual _____

Date _____

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.